Effect of GST system

2561. SHRI RAHUL BAJAJ:

SHRI RAJKUMAR DHOOT:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state in what manner changes proposed in the GST system would affect the units not currently paying excise duty?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): Under the central excise law applicable to goods produced or manufactured in India, the current exemption limit in s. 1.5 crore. The exemption is available to a unit having a turnover of less than Rs. 4 crore in the preceding financial year. The Empowered Committee of the State Finance Ministers has recently released first discussion paper outlining the scheme of Goods and Services Tax (GST). It has proposed a two tier GST system, one levied by the Centre (commonly known as Central GST or CGST) and other levied by the States (commonly known as State GST or SGST) on supply of goods and services. For CGST, it has recommended a threshold limit of Rs. 1.5 crore (applicable to both manufacturers and dealers).

Implementation of PMEGP

2562. SHRI V. HANUMANTHA RAO:

DR. T. SUBBARAMI REDDY:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether Government has pulled up Khadi and Village Industries Commission for failure of Prime Minister's Employment Generation Programme in 2008-09;

(b) if so, whether incidentally Government managed to provide funds to only 36287 projects in micro, small and medium enterprises sector against a target of financing 61227 projects during the year;

(c) if so, whether Government has taken action to improve implementation of decision of the programme; and

(d) whether with global and domestic economy showing signs of upturn, Indian companies engaged in man-made fibre business are back to drawing up expansion plans to ramp up capacities?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) to (c) No, Sir. As Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy programme and banks finance as much as 60% of the project cost after assessment of their viability, the target in terms of number of projects, and employment likely to be generated are only estimated figures. Actual achievement would depend among various factors, on the nature, cost and location of projects/units.

Implementation guidelines of PMEGP could be issued in September 2008 after obtaining approval of the competent authority in August 2008. Preliminary activities of implementation like publicity, workshops, distribution of targets, etc. took some time as it involved coordination by Khadi and Village Industries Commission (KVIC) with State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs) of State Governments and about 850 nodal branches as well as 12000 financing bank branches spread across the country. Imposition of model code conduct of General Elections, elections in six States in 2008, and delay in constitution of District Level Task Force (DLTF) by concerned State Governments also resulted in less availability of time for actual implementation of the programme.

Despite the constraints in implementation of PMEGP mentioned above, a total of 36,281 projects could be got sanctioned by banks and loans could actually be disbursed in 25507 cases in 2008-09 for creation of estimated employment opportunities for 2.55 lakh persons.

For improved implementation of PMEGP and achieving the targets during 2009-10, all Chief Ministers have been requested to instruct the State implementing agencies, namely, DICs, KVIBs and Banks to put in more concerted efforts in improving the performance of PMEGP. Regular review meetings are also being undertaken by National Level Monitoring Committee, KVIC and others including communication of district level targets well in advance by KVIC, etc. Project profiles of more than 300 model projects have been made available in the websites namely www.kvic.org.in and www.pmegp.in and around 515 training centres across the country have been accredited by KVIC for imparting EDP training to the PMEGP beneficiaries for facilitating the offtake of bank finance with margin money subsidy.

(d) The Government in the Ministry of Micro, Small and Medium Enterprises has not noticed any significant expansion plan of Indian companies launched recently to ramp up capacities in the segment of man-made fibre production. Moreover, as per the records of Ministry of Textiles, Government of India, the installed capacity of man-made fibre industry during 2007-08 was 1659 Mn.Kg. and the same increased to 1763 Mn. Kg as in September 2009.

Dedicated units of KVIC

2563. SHRIMATI SYEDA ANWARA TAIMUR:
SHRI VIJAY JAWAHARLAL DARDA:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether there are dedicated units whose entire range of products are procured by Khadi and Village Industries Commission;

(b) if so, whether such units have adequate access to institutional finance on subsidized rate of interest; and

(c) the value of the products purchased by KVIC during 2008?